

**Minutes, Green Valley Water District  
June 15, 2017**

1. Call to Order at 9:30 AM by Chairman R. Hedden

Roll Call: Clerk of the Board

Board Present: Patricia Carlstad  
Michael Cochran  
Robert Hedden  
Len Murphy  
Richard Newman  
Curt Wagner  
John Wilson

Board Absent: None

A quorum was announced

2. Approval of the May 11, 2017 Board Minutes\_v1; May 18, 2017 Special Meeting minutes\_v2 and May 18\_v2, and 2017 Executive minutes\_v2.

**I move to approve the May 11, 2017 Board Minutes\_ V1 as presented**

**Move: R. Newman      2<sup>nd</sup>: J. Wilson      Approved: 6/0      Chair Abstains**

**I move to approve the May 18, 2017 Special Meeting Minutes\_ V2 as presented**

**Move: M. Cochran      2<sup>nd</sup>: R. Newman      Approved: 6/0      Chair Abstains**

**I move to approve the May 18, 2017 Executive Minutes\_ V2 as presented**

**Move: R. Newman      2<sup>nd</sup>: C. Wagner      Approved: 6/0      Chair Abstains**

3. Adoption of the 2017/18 Estimates of Revenue and Expenses as the GVWD 2017/18 Annual Budget. L. Murphy noted that the Estimates and Expenses were presented earlier today at the Public Hearing and all questions by attendees were answered therefore he made the following motion.

**I move to adopt the Estimates of Expenses and Revenues as the Green Valley Domestic Water Improvement District's 2017-2018 Budget. These estimates were properly noticed and made available for public comment at a Public Hearing held on June 15, 2017.**

**Additionally, Resolution 2017-001 adopting the Estimates of Expenses and Revenues as the 2017-2018 Budget is approved as presented.**

**Move: L. Murphy      2<sup>nd</sup>: R. Newman      Approved: 6/0      Chair Abstains**

4. Operation report: L. Hoffman

**Staff News & Training**

- The safety meeting reviewed the safe operation of a backhoe & loader.

**Bids: None**

**Construction:**

- GEN-TECH tested all three Generators on 6/13/17. They turned the power off and each generator came back on line with little delay. An internal 24 hours turn off is scheduled for next week when the temperatures are high to test performance under extreme conditions.

**Maintenance**

- Layne Christensen completed the work at Well #1. The total cost was \$38,351 which is broken down as \$23,040. for labor and \$14,470. for parts + tax, There was an additional \$10,000. for the pump itself.
- AME Company videoed the tanks and the report noted no concerns. The next recommended inspection is in 4 years.

**Field Staff**

- Field Staff has completed 164 work orders and 33 Blue stakes.
- Jim and Kevin continue working the inline gate valves, flush outs and fire hydrant valves . To date, 607 main line valves (16 were broken), 262 fire hydrants and 74 water main flush outs are completed. This work will move to Desert Hills II next. Flush outs in this area are more difficult as there are no curbs to prevent flooding of residents yards.
- Mike is working on air vacs, 59 of 66 are completed.
- One curb stop was broken and had to be repaired.
- Ten meters were replaced and/or swapped out.
- Six service leaks were repaired.

**Miscellaneous News & Information**

- The property next to Well #1 has been surveyed and is staked. The septic tank has not been located. All this work is in-conjunction with the purchase of the land surrounding Well #1.

**Meetings with:**

- Bestway Electric and GEN-TECH regarding the generators there functioning properly.
- Finance Committee on budget
- Tech Committee on updates on field work
- Layne pumps on installation of the pump at Well #1

**Review of financials:**

The financial statement for May was discussed in detail. See attached. Both the water pumped and water sold are up year to date. Total revenues are up slightly while operating expenses in all areas except electricity and professional fees are in line with the budget. An appointment with TEP is scheduled to inspect the irrigation wells and determine if the District qualifies for a lower rate. The credit balance for Dorn Homes will be moved into the operation budget as the hook ups and meter installations are now complete.

5. General Business: discussion and action on

**A. L. Hoffman, District Manager**

- **Review of the current capital budget:** L. Hoffman passed out the capital budget. The changes for Well # 1 now appear on the capital budget with the exception of the repair work on well #1 and the new pump for Well #2
- **Generator status:** Reported earlier in the OM report
- **Well #1 operational issues:** Reported earlier in the OM report
- **Existing Storage Tank coating inspection:** Reported earlier in the OM report

**B Finance Advisory Committee: L. Murphy**

- **Update on water billings & major customers:**

- For the ten months ended April 30<sup>th</sup>, total revenue is up \$27,000 compared to the same period last year. Turf is up \$29,000, with the other categories being down to net to the \$27,000.

- As of June 1<sup>st</sup>, there is one customer with a balance of over \$500 who is not current. Since that date, the hospital has paid the post-petition balance.

- **Follow up on last month's insurance coverage presentation.** Drew Newton, Insurance agent, is out of town, and accordingly, there is no update on the questions we have, particularly whether we have terrorism coverage. R. Hedden offered some insights into this kind of coverage
  - It appears that within our existing policy there is a rider attached for terrorism and it is not included as part of the liability coverage. The loss that the District could take connected to terrorism is tied to the amount of liability insurance. However if it is a certified terrorism act, the Federal Government picks up the amount over and above our coverage up to 1 billion dollars. The District needs a clarification of what is included as certified terrorist acts within our existing rider.
  - The other question the District asked was the best way to increase our liability to 15 or 20 million. If this is done through the existing company, the increased amount is directed to an E&S market excess and surplus lines. There is an additional option known as stacking (buying separate liability policies from different companies), which could be more cost effective. The office will explore the possibilities.

It was decided to clarify and make an assessment of how much liability insurance is needed and its cost. The Board will wait until September to make any decision.

- **Approval of audit related engagement letters:** An engagement letter from CliftonLarsonAllen audit services was received for the 12 month period ending June 30, at a cost of \$28,000. It is compared to the fee paid last year of \$29,000. L. Murphy and J. Wilson have reviewed the letter and recommend acceptance.

**I move that the firm of CliftonLarsonAllen be engaged for the 12 month audit period ending June 30, 2017 at a fee of \$28,000.**

**Move: L. Murphy      2<sup>nd</sup>: J. Wilson      Approved: 6/0      Chair Abstains**

The District has not yet received an engagement letter from Regier Carr & Monroe to prepare the financial statements needed for the 2017 audit. L. Murphy recommends that the engagement be approved on the assumption the terms of the letter and fees are comparable to last year and that neither he nor J. Wilson have other concerns that should be brought to the board. The fee last year was \$6,603.50.

**I move that the firm of RegierCarr & Monroe be selected to prepare the financial statements needed for the 2017 audit.**

**Move: L. Murphy      2<sup>nd</sup>: J. Wilson      Approved: 6/0      Chair Abstains**

**C. Technical Advisory Committee: C. Wagner**

- Update on Well #2: This well was drilled in 1977 and last looked at in 2016 when a new pump was needed. When time and conditions allow this well will be inspected through the pulling of the pump and video taken. Concern is a possible condition of the casing similar to Well #1 casing.
- ADOT Project: The District has received a request for proposals which will be issued. Bids will be take in July.
- Canoa Ranch FICO Boundary Map Survey: A certified boundary map has been received.
- Purchase of MXU: This item has been approved in the 2017/18 capital budget. A motion to

approve the purchase the MXUs is requested now to allow work to begin in the summer months is called for.

**I move to authorize the purchase the MXUs after July1, 2017 for the budgeted amount of \$50,000.**

**Move: C. Wagner      2<sup>nd</sup>: J. Wilson      Approved: 6/0      Chair Abstains**

- Purchase of the new truck: A new truck was included in the 2017/18 Capital Budget.

**I move to authorize the expenditure of the \$50,000 to purchase the new truck included in the 2017/18 Capital Budget after July 1, 2017**

**Move: C. Wagner      2<sup>nd</sup>: M. Cochran      Approved: 6/0      Chair Abstains**

**D. Strategic Planning:** R. Hedden

The Committee met June 8, 2017. To date there is a fairly complete draft of the new plan. R. Hedden has to complete the conclusion. Once done, it will be sent to the Board for review and comment. Final approval will be at the September 2017 Board meeting. The document lays out what is anticipated to occur over the next 5 years and what has been completed from the old plan. P Carlson has worked on the formatting.

**E. Chairman's comments:**

- P. Carlson has worked to develop a volunteer handout which is now in the final stage of completion. This handout will be in the office and can be given to people who express interest in becoming an active volunteer in the Water District. The final draft will be sent out to Board for review.
- R. Hedden will be meeting with District 4 Supervisor Steve Christy and his Green Valley/Sahuarita Representative Sergio Arellano. The purpose is to make our representative aware of the GVWD, how we operate as a water improvement district and our inter-action with the county.
- The District is in the process of purchasing the land around Well #1. The initial contract is signed and we are waiting for the results of a title search and other due diligence. The closing date is July 14, 2017.
- The Water District suspends its meetings during the summer. A motion is called for:

**I move to suspend the regular July and August Board meetings. In the event of an emergency a special meeting can be called for.**

**Move: R. Newman      2<sup>nd</sup>: M. Cochran      Approved: 6/0      Chair Abstains**

6. **Call to the Public:** There was no response.

7. **Announcements:**

- The next Finance and Technical Committee meetings will be Monday, September 11, 2017 in the GVWD Conference Room. Time to be announced later.
- The next Board meeting will be held on Thursday, September 14, 2017

8. **Adjournment:**

**I move to adjourn.**

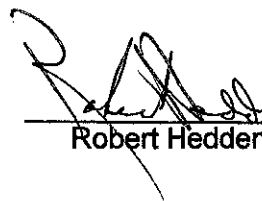
**Move: D. Newman      2<sup>nd</sup>: C. Wagner      Approved: 6/0      Chair Abstains**

The meeting was adjourned at 10:25 AM

Minutes approved September 14, 2017

GREEN VALLEY DOMESTIC  
WATER IMPROVEMENT DISTRICT

By Karen Thornton  
Karen Thornton, Clerk of the Board

  
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Robert Hedden, Chairman